processing. This error is not correctable through error correction after processing the batch. If the error is not corrected before processing, the batch will post to the Error Suspense File with a B22 error and must be **deleted and reentered**.

This process does not evaluate transactions within these batches for reasonableness. All transactions included in a batch coded as described above are reversed in the new year at the time the year-end-open process is run. Therefore, it is important to verify that only those transactions intended for reversal are included in these batches. For example, the A-2 Adjusting Entry involves several entries with various transaction codes. This adjusting entry is reversed with the exception of any entries made using TC 520. Therefore, if the A-2 Adjusting Entry batch is coded for automatic reversal, any transactions using TC 520 must be recorded in a separate non-automated reversal batch. Otherwise, TC 520 transactions will be inappropriately reversed by this process.

Note: Transactions that liquidate a document cannot be reversed.

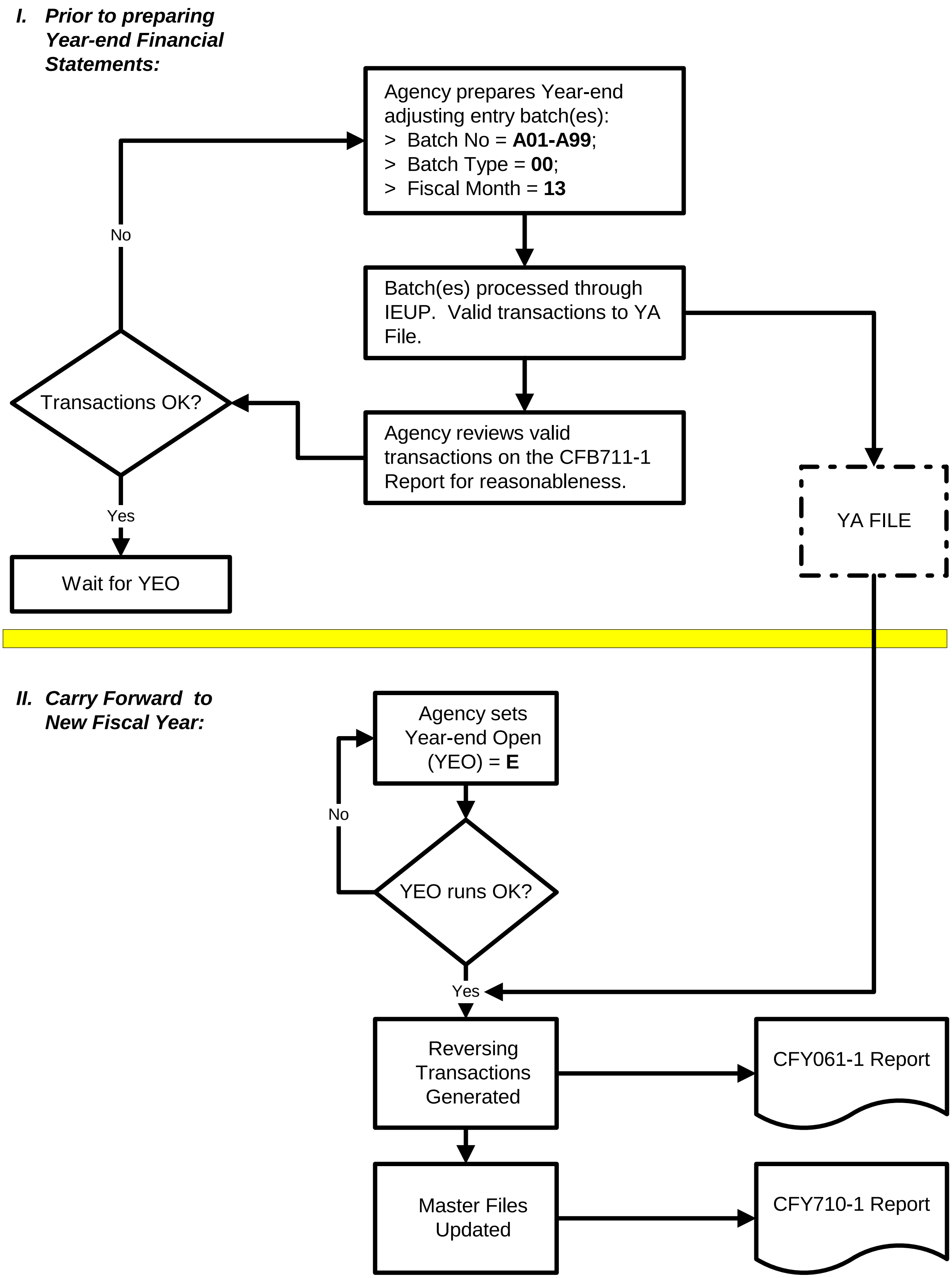
Processing FM 13 Batches Coded For Automatic Reversal

Except for the coding rules for the Batch Header described above and the caution to include only those transactions to be reversed with the same transaction code, there are no special coding or keying rules for the transactions within these batches. The input process is exactly the same as any other batch.

When automatic reversal batches are processed, the system produces a CFB711-1, FM13 Accruals To Be Reversed In New Year Report (Exhibit II-2). This report, which is routed to agency printers along with the other Input, Edit, and Update Process (IEUP) reports, displays all transactions that posted to the Year-End Adjustment File (YA File) during nightly processing. This report should be reviewed to verify that all posted transactions should be reversed in the new fiscal year. Inappropriate transactions cannot be deleted from the YA File; however, reversal transactions in the new fiscal year may result in errors that require correction or additional adjusting entries.

The standard requestable report CSTARY01, Listing of Accruals To Be Reversed In The New Year (Exhibit II-3), lists all records in the YA file as of the date requested. A CSTARY01 report should be ordered after all adjusting entries have been posted.

Exhibit II-1


I. Prior to preparing Year-end Financial Statements:
Agency prepares Year-end adjusting entry batch(es):
> Batch No = A01-A99;
> Batch Type = 00;
> Fiscal Month = 13
Batch(es) processed through IEUP. Valid transactions to YA File.
Agency reviews valid transactions on the CFB711-1 Report for reasonableness.
Transactions OK?
No
Yes
Wait for YEO
YA FILE
II. Carry Forward to New Fiscal Year:
Agency sets Year-end Open (YEO) = E
YEO runs OK?
No
Yes
Reversing Transactions Generated
CFY061-1 Report
Master Files Updated
CFY710-1 Report

PREPARE STANDARD YEAR-END ADJUSTING ENTRIES

The standard adjusting entries required at year end are illustrated in the *State Administrative Manual* (SAM) Sections 10600 - 10615. They are designated as entries A-1 through A-13. All year-end adjusting entries are entered in Fiscal Month 13.

ENTRY A-1: Record Undeposited Receipts

The A-1 entry adjusts the agency's GLA 1110-General Cash and GLA 1120-Agency Trust Fund Cash accounts to accurately reflect the amount deposited in the agency's accounts with the State Treasurer. Entry A-1 is required for cash received but not deposited by June 30, including warrants issued by the SCO dated June 30 or earlier. Entry A-1 does not apply to warrants issued to repay the Office Revolving Fund (ORF). Enter the appropriate TC to post the cash receipt in addition to the following:

To adjust GLA 1110-General Cash:
TC 530 - A-1 Adj Gen Cash for Undeposited Receipts
Dr. 1190 Cash on Hand
Cr. 1110 General Cash

To adjust GLA 1120-Agency Trust Fund Cash:
TC 529 - A-1 Adj Agy Trust Fund Cash for Undeposited Receipts
Dr. 1190 Cash on Hand
Cr. 1120 Agency Trust Fund Cash

A-1 entries (TC 530, TC 529) are reversed in the new year. Auto-reverse batches are recommended for A-1 entries.

ENTRY A-2: Adjust Revolving Fund Cash Account

The A-2 entry records the agency's ORF cash balance as of June 30 into the advancing fund. During the fiscal year, all ORF activities are recorded in the Office Revolving Fund (Fund 0998). At year-end, all of these activities must be transferred to the fund that advanced the cash to the Office Revolving Fund. The full amount of the ORF is carried in the advancing fund general ledger during the year as GLA 1130-Revolving Fund Cash or GLA 1400-Due from Office Revolving Fund (Subsidiary Code 14000998). As part of the A-2 entry, several transactions are posted to reflect all ORF account activities in the advancing fund(s) as of June 30. The A-2 adjusting entries must be posted using the Appropriation Symbol for the ORF advance (Account Type 97).

Several A-2 entries are common to all agencies. Other entries are dependent upon:

- ✪ Whether CALSTARS ORF (Fund 0998) and a Clearing Account are used; and

- ✪ Whether the Clearing Account and the Revolving Fund advance are in the same fund.

NOTE: Any entries that result in an error message due to an abnormal document balance can be posted using Command **C.3** fund control override procedures (**44**, **W**) or by changing position '3' (DF BAL-PY13) in the fund-related error severity segment of the OC Table to **W**. (The table entry must be in the same FFY as the transaction.)

A-2 Entries Common to All Agencies

Make these entries in the fund that **advanced** cash to ORF, if applicable.

TC 521 - A-2 Record Year-end Expense Advances [1]
    Dr. 1710 Expense Advance
        Cr. 1130 Revolving Fund Cash

TC 525 - A-2 Record Year-end Deferred Charges [2]
    Dr. 2600 Deferred Charges
        Cr. 1130 Revolving Fund Cash

TC 528 - A-2 Record ORF Cash Shortages
    Dr. 1316 Accounts Receivable Cash Shortages
        Cr. 1130 Revolving Fund Cash

TC 531 - A-2 Record Year-end ORF Cash on Hand [3]
    Dr. 1190 Cash on Hand
        Cr. 1130 Revolving Fund Cash

TC 534 - A-2 Record Amount Advanced to Bank for Bank Draft Account
    Dr. 1160 Cash in Agency Accounts-Bank/Savings and Loans
        Cr. 1130 Revolving Fund Cash

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[1] Combine unreimbursed advances for GLAs 1710, 1712 and 1714 that have not been accrued via the A-8 entry. For the unreimbursed advances accrued as expenditures via the A-8 entry, use TC 527.

[2] GLA 2600 do not reflect on the DB1/DB2 reports. Therefore, the SCO/CALSTARS Reconciliation for the Category 97-Revolving Fund Advance appropriation will be off by the amount of the TC 525 entry.

[3] Include SCO warrants issued June 30 or prior to reimburse the ORF that have not yet been received or deposited.

After completing the **common entries** (prior page), select an option:

OPTION TABLES FOR A-2 ENTRIES

AGENCIES USING A CLEARING ACCOUNT		
Use CALSTARS ORF Fund 0998?	Clearing Account and Revolving Fund Advance in the same Fund?	Use Common Entries (above) and Option #:
No	Yes	1
Yes	Yes	2
No	No	3
Yes	No	4

AGENCIES WITH NO CLEARING ACCOUNT	
Use CALSTARS ORF, Fund 0998?	Use Common Entries (previous page) and Option #:
No	1
Yes	2

OPTION #1

Make these entries as applicable in the fund that advanced cash to ORF in addition to the A-2 entries common to all agencies.

TC 524 - A-2 Record Year-End ORF Reimbursement Claim Schedules (filed and not paid) [4/]
Dr. 3020 Claims Filed
Cr. 1130 Revolving Fund Cash

TC 527 - A-2 Reduce Accounts Payable by Amounts Previously Paid by Revolving Fund [5/] [6/]
Dr. 3010 Accounts Payable
Cr. 1130 Revolving Fund Cash

[4/] Do not include claims paid by the SCO as of June 30. These amounts are recorded in the A-2 entry with TC 531 (See A-2 Entries Common To All Agencies)

[5/] Debit balances in GLA 3010 display as "Reclass Accts Payable/Enc" on the DB1 Report.

[6/] TC 527 is posted in lieu of TC 521 (See A-2 Entries Common To All Agencies) for the amount of any unreimbursed ORF advances that are accrued as expenditures via the A-8 entry.

OPTION #2

Make these entries as applicable in the fund that advanced cash to ORF in addition to the A-2 entries common to all agencies.

TC 520 - A-2 Record Year-End Revolving Fund Cash [7]
Dr. 1130 Revolving Fund Cash
Cr. 1400 Due from Other Funds

TC 524 - A-2 Record Year-End ORF Reimbursement Claim Schedules (filed and not paid) [4]
Dr. 3020 Claims Filed
Cr. 1130 Revolving Fund Cash

TC 527 - A-2 Reduce Accounts Payable by Amounts Previously Paid by Revolving Fund [5] [6]
Dr. 3010 Accounts Payable
Cr. 1130 Revolving Fund Cash

OPTION #3

Make these entries as applicable in the fund containing the Clearing Account. This assumes the Clearing Account contains claim schedules reimbursing ORF and A-8 entries accruing unreimbursed ORF advances.

TC 524 - A-2 Record Year-End ORF Reimbursement Claim Schedules (filed and not paid) [4]
Dr. 3020 Claims Filed
Cr. 1130 Revolving Fund Cash

TC 527 - A-2 Reduce Accounts Payable by Amount Previously Paid by Revolving Fund [5] [6]
Dr. 3010 Accounts Payable
Cr. 1130 Revolving Fund Cash

TC 526 - A-2 Record Year-End ORF Accounts Payable as Due to Other Funds (The amount for this entry should be the total amount of the TC 524 and TC 527 entries above.)
Dr. 1130 Revolving Fund Cash
Cr. 3110 Due To Other Funds or Appropriations

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[4] Does not include claims paid by the SCO as of June 30.

[5] Debit balances in GLA 3010 display as "Reclass Accts Payable/Enc" on the DB1 Report.

[6] TC 527 is posted for the same amount as the unreimbursed ORF advances accrued as expenditures via the A-8 entry.

[7] TC 520 is not reversed in the new year--use TC 508 in the new year.

EXHIBIT II-6

A-2 ENTRY SAMPLE

G01 REPORT or MANUAL LEDGERS	PER REVOLVING FUND RECONCILIATION	COMMON ENTRIES TC & AMOUNT	OPTION #2 ENTRIES TC AND AMOUNT
1130 Revolving Fund Cash	Cash Book Balance		
1190 Cash on Hand	Cash in Sub-Revolving Funds (Petty Cash), Undeposited Receipts, etc.	(A) $104.13 TC 531 Dr. 1190 Cr. 1130	
1400 Due From Other Funds	Vouchers Pending Reimbursement (Claims Filed)		(B) $111,712.31 TC 524 Dr. 3020 Cr. 1130
1710 Expense Advance 1712 Travel Advance 1714 Salary Advance	Expense Advances Travel Advances Salary Advances	(C) $68,173.87 TC 521 Dr. 1710 Cr. 1130	
3110 Due To Other Funds	Amount of ORF Withdrawn From Appropriation		(D) $200,000.00 TC 520 Dr. 1130 Cr. 1400

GLA 1130 - ORF CASH

(D)	200,000.00	104.13	(A)
		111,712.31	(B)
		68,173.87	(C)
	20,009.69 (Cash Book Balance)		

This example does not include any warrants issued by SCO on June 30 or prior for payment of ORF reimbursement claims, but not received and/or deposited by the agency as of June 30. It also does not include an adjustment for any outstanding Advance amounts that are also accrued in the A-8 entry. If applicable, adjustments need to be made for the A-2 Entry as follows:

1) SCO warrants issued by June 30 for ORF reimbursement but not received or deposited. Increase the Cash on Hand included in TC 531 entry by the SCO warrant(s) amount. Decrease the Vouchers Pending Reimbursement included in TC 524 entry by the same amount.

2) Expenditures/Accounts Payables accrued in A-8 entry for items paid with ORF Advance Decrease the Advances included in TC 521 by the amount(s) included in the A-8 entry. Record TC 527 in the A-2 entry to reduce Accounts Payable by the same amount.

ENTRY A-3: Reimbursement and Abatement Accrual

The A-3 entry records reimbursements and abatements due to the agency but not yet recorded in CALSTARS. These entries are normally made in CALSTARS throughout the year as invoices are prepared. Any amounts due to the agency at year-end, but not yet recorded, should be accrued using A-3 entries. The transaction codes used to record accruals are the same that are used during the year to establish receivables as abatements or reimbursements.

TC 123 - Record Billing of Accounts Receivable - Abatements [8/]
Dr. 1311 Accounts Receivable - Abatements
Cr. 9000 Expenditures

TC 122 - Record Billing of Accounts Receivable - Reimbursements
Dr. 1312 Accounts Receivable - Reimbursements
Cr. 8100 Reimbursements

TC 129 - Record Amount Due From Other Governments as Reimbursements
Dr. 1500 Due From Other Governments
Cr. 8100 Reimbursements

TC 130 - Record Amount Due From Other Governments as Abatements [8/]
Dr. 1500 Due From Other Governments
Cr. 9000 Expenditures

TC 174 - Record Amount Due From Other Funds as Reimbursements
Dr. 1400 Due From Other Funds or Appropriations
Cr. 8100 Reimbursements

TC 175 - Record Amount Due From Other Funds - Abatements [8/]
Dr. 1400 Due From Other Funds or Appropriations
Cr. 9000 Expenditures

A-3 entries not supported by invoices should be reversed in the new fiscal year and re-entered as invoices are prepared. Auto reverse batches are recommended for entries not supported by invoices.

NOTE: Agencies should prepare separate entries to accrue reimbursement receivables resulting from encumbrances. These entries may be useful in identifying the encumbrance amounts to be reported on Report 1, Report of Accruals to Controller's Accounts.

These entries typically are not supported by invoices and should be reversed in the new year.

[8/] Abatements require both an object detail and a source code. Transactions are made in the Clearing Account if the original expenditure was made in the Clearing Account.

EXCEPTION: Agencies with Federal grants may need to encumber accruals in lieu of preparing the A-8 entry for Federal expenditures. If accruals are encumbered, they will not show as expenditures on CALSTARS reports used for the monthly Plan of Financial Adjustment (PFA). This will help ensure that expenditures are not overstated when completing the PFA for a Federal drawdown. Use Document Number/Suffix **A8*nnnnnn-nn*** for these encumbrances. The encumbrances are shown as GLA 3010 in the Pre-closing and Post-closing Trial Balances on the G02 Report. In order to reflect the correct general ledger liability accounts in CALSTARS (i.e., GLAs 3110, 3210, 3220, or 3290), the encumbrances must be reclassed to the correct account using TC 517 or TC 519. Refer to the *Reclassify Encumbrances Reported As Accounts Payable* section in Chapter III for further instructions. **Do not** report these encumbrance accruals in the "Encumbrance" column on the Report of Accruals to Controller's Accounts, Report 1, Form 571A, B, C, or D.

NOTE: The H11 Report for FM 13 reflects accrued expenditures, including Capital Outlay and equipment purchases, at the time the accruals are posted, not when actual payment is made. This may impact the reconciliation of property records.

Exhibit II-7 displays the transaction codes used to establish, liquidate and adjust accounts payable documents. These entries are made only if the goods or services were received by June 30. The *Debit* GLA for each of the TCs in the "Set Up TC" column is GLA 9000-Expenditures. The Credit GLA is shown in the "General Ledger Liability Account" column.

When setting up accounts payables for previously encumbered documents, use of the **F** (Final Payment) Modifier code will liquidate the *entire balance* (plus or minus) in the Document File. Accounts payable documents must be liquidated/adjusted for the *exact amount*. Differences should be adjusted to zero as soon as possible and the document should be closed (Modifier=**C**) to preclude further Document File posting.

See Exhibit II-7 for TCs to use when establishing, liquidating and adjusting accounts payable documents.

*A-8 adjusting entries are **NOT** reversed in the new year, except for entries for estimated accruals.*

EXHIBIT II-7
A-8 ENTRY TRANSACTION CODES

Vendor Description	Vendor Type	General Ledger Liability Account	Account Title	Previous Status	Transaction Codes						
					Set Up	Payment			Adjustments		
						Auto	Manual	SCO Pay	Incr-ease	Decrease Payable Balance	Correct Overpay-ment of Accrual
Corporation (includes Non-profit Foundation) Individual/Sole Proprietor Partnership Estate or Trust Employee	**C** **I** **P** **E** **1**	3010	Accounts Payable	Previously Encumbered	214[1]	233	246	248	215	205	498
				Not Previously Encumbered	215	233	246	248	215	205	498
Federal Agency	**2**	3210	Due to Federal Gov't	Previously Encumbered	208[1]	268	284	263	283	201	283
				Not Previously Encumbered	283	268	284	263	283	201	283
CA State Agencies (includes CSU & CSU Trustees)	**3**	3110	Due to Other Funds	Previously Encumbered	209[1]	261	203	262	285	204	285
				Not Previously Encumbered	285	261	203	262	285	204	285
Local Government Agencies (Includes Cities and Counties)	**4**	3220	Due to Local Gov'ts	Previously Encumbered	208[1]	268	284	263	283	201	283
				Not Previously Encumbered	283	268	284	263	283	201	283
Other Governmental Agencies (Includes School Districts, Community Colleges, Regents/UC's and Other State Govts)	**5**	3290	Due to Other Gov'ts	Previously Encumbered	208[1]	268	284	263	283	201	283
				Not Previously Encumbered	283	268	284	263	283	201	283

[1] Do not include these transactions in auto reverse batches.

ENTRY A-9: Record Revenue Accruals

The A-9 entry records revenue earned but not yet billed. These entries are typically made in CALSTARS throughout the fiscal year when revenue is billed or earned. At year end, any estimated or earned but unbilled revenue is recorded using an A-9 entry. The transactions codes are the same that are used to record revenue throughout the year:

TC 120 - Record Billing of Accounts Receivable - Revenue (if earned)
Dr. 1313 Accounts Receivable Revenue
Cr. 8000 Revenue

TC 121 - Record Billing of Accounts Receivable – Operating Revenue (if earned)
Dr. 1314 Accounts Receivable Revenue – Operating Revenue
Cr. 8000 Revenue – Operating Revenue

TC 128 - Record Due From Other Govts - Revenue (if earned)
Dr. 1500 Due From Other Governments [1]
Cr. 8000 Revenue

TC 176 - Record Due From Other Funds - Revenue (if earned)
Dr. 1400 Due From Other Funds or Appropriations [1]
Cr. 8000 Revenue

Any current year billed revenue receivable not expected to be collected in the next fiscal year should be deferred. Reverse the original Accounts Receivable – Revenue posting and post the appropriate TCs as follows:

TC 505 - A-9 Establish Deferred Accounts Receivable – Operating Revenue
Dr. 1314 Accounts Receivable Revenue – Operating Revenue
Cr. 1600 Provision for Deferred Receivables

TC 506 - A-9 Establish Deferred Accounts Receivable – Revenue
Dr. 1313 Accounts Receivable Revenue
Cr. 1600 Provision for Deferred Receivables

TC 507 - A-9 Establish Deferred Accounts Receivable – Due From Other Funds or Appropriations
Dr. 1400 Due From Other Funds or Appropriations [1]
Cr. 1600 Provision for Deferred Receivables

TC 509 - A-9 Establish Deferred Accounts Receivable – Due From Other Governments
Dr. 1500 Due From Other Governments [1]
Cr. 1600 Provision for Deferred Receivables

Both the reversal of the original accounts receivable and the A-9 entries (TC 505, TC 506, TC 507, TC 509) are reversed in the new year. Auto-reverse batches are recommended for these entries.

Year-end revenue accruals not supported by invoices should be reversed and re-entered when the invoices are prepared.

[1/] Use unique document numbers for TC's that require a Subsidiary.

Prior Year Accounts Receivable Revenue

All prior year accounts receivable revenue must be deferred. Agencies may use the automated process (CFY023) discussed in Volume 7, Chapter I, Preparation Activities, section *Reclassify/Liquidate Reverting Appropriation Document File Balances*. If the automated process was not used, the entries must be posted manually using the transaction codes displayed in that section.

Excess Revenue Collections From Other Funds or Other Governments

Occasionally there is an excess collection of revenue from other funds, the Federal Government or some other governmental entity. If the excess collection is returned after June 30, an accrual entry reducing revenue must be made:

TC 557 - Accrue YE Due to Other Funds (Excess Collections)

Dr. 8000 Revenue
Cr. 3110 Due to Other Funds or Appropriations

TC 552 - Accrue YE Due to Other Govt (Excess Collections)

Dr. 8000 Revenue
Cr. Input GL (3210, 3220 or 3290)

The above entries (TC 552, TC 557) are reversed in the new year. Auto-reverse batches are recommended for these entries.

NOTE: The liability accrual (GL 3110, 3210, 3220 or 3290) is not included on the DB1 report. For reconciliation purposes, the amount of the TC 552 or TC 557 entry must be added to the SCO account balances.

ENTRY A-10: Adjustment for Dishonored Checks

CALSTARS agencies are required to account for dishonored checks by using transactions to adjust the nominal accounts during the year. Typically, this involves adjusting the nominal accounts by recording transactions to reimburse the bank for the dishonored check and establish a receivable in GLA 1315-Accounts Receivable-Dishonored Checks with an offset to GLA 1600-Provision for Deferred Receivables. At year-end, the A-10 entry is required for the dishonored checks considered to be collectible during the next year. The A-10 entry removes the collectible dishonored checks from GLA 1600 and reflects the amount in the nominal account. See the chart below for the transactions to use for posting the A-10 entry.

A-10 Adjusting Entries

Account		Description	TC
Debit	Credit		
1600		Provision for Deferred Receivables	
	3110	Due to Other Funds or Appropriations	585
	3400	Advance Collections	586
	3730	Uncleared Collections	587
	8000	Revenue	588
	8100	Reimbursements	589
	9000	Expenditures	590
	9830	Other Sources	578
	9891	Refunds to Reverted Appropriations	591

NOTE: If an A-10 adjusting entry is required, the FM 13 reconciliation to SCO balance will not agree by the amount of the A-10 entry, except GLA 3400 and GLA 3730.

A-10 entries are reversed in the new year. Auto-reverse batches are recommended for A-10 entries.

ENTRY A-11: Alternative Adjustment for Dishonored Checks

CALSTARS agencies do not prepare the A-11 adjusting entry. See the A-10 adjusting entry.

ENTRY A-12: Establish Reserve for Deferred Accounts Receivable for Abatements and Reimbursements

The A-12 entry establishes a reserve for accounts receivable abatements and reimbursements estimated to be uncollectible during the next fiscal year. Reverse the original Accounts Receivable – Reimbursements or Abatements posting(s) and post the appropriate TCs as follows:

TC 503 - A-12 Establish Deferred Accounts Receivable – Reimbursements
    Dr. 1312 Accounts Receivable – Reimbursements
        Cr. 1600 Provision for Deferred Receivables

TC 504 - A-9 Establish Deferred Accounts Receivable – Abatements
    Dr. 1311 Accounts Receivable - Abatements
        Cr. 1600 Provision for Deferred Receivables

TC 507 - A-9 Establish Deferred Accounts Receivable – Due From Other Funds or Appropriations
    Dr. 1400 Due From Other Funds or Appropriations [1]
        Cr. 1600 Provision for Deferred Receivables

TC 509 - A-9 Establish Deferred Accounts Receivable – Due From Other Governments
    Dr. 1500 Due From Other Governments [1]
        Cr. 1600 Provision for Deferred Receivables

Both the reversal of the original accounts receivable and the A-12 entries (TC 503, TC 504, TC507 and TC 509) are reversed in the new year. Auto-reverse batches are recommended for these entries.

ENTRY A-13: Transfer CIST to Fund Balance

Typically, CALSTARS agencies ***do not post*** the A-13 entry. During the Year-end Closing process, CALSTARS generates the entry to reclassify GLA 1140-Cash in State Treasury to GLA 5570-Fund Balance Clearing for funds identified in the D22 Descriptor Table as *shared* funds. The G02 Post Closing Trial Balance reflects that

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[1] Use unique document numbers for TC's that require a Subsidiary.

GLA 1140 has been reclassified to GLA 5570 for *shared* funds. Agencies with *shared* funds should verify the G02 Post Closing Trial Balance reflects that GLA 1140 closed into GLA 5570. If the G02 Post Closing Trial Balance reflects a balance in GLA 1140 for a *shared* fund, then one of the following entries must be posted by the agency. If the G02 Post Closing Trial Balance reflects that GLA 1140 is closed properly to GLA 5570, the agency ***does not post*** the following entries; CALSTARS will generate the transaction during the automated closing process for *shared* funds.

If Cash in State Treasury has a debit balance:
TC 501 - YEC - To close Debit Balance GLA-Shared Fund
Dr. 5570 Fund Balance Clearing Account
Cr. (Input 1140) Cash in State Treasury

If Cash in State Treasury has a credit balance:
TC 502 - YEC - To close Credit Balance GLA-Shared Fund
Dr. (Input 1140) Cash in State Treasury
Cr. 5570 Fund Balance - Clearing Account

NOTE: Funds that are identified in the D22 Descriptor Table as *non-shared funds* are not impacted by this entry.

*A-13 entries are **NOT** reversed in the new year*

PREPARE ADJUSTING ENTRIES FOR OPERATING TRANSFERS AND LOANS

The following adjusting entries may be posted in FM 13 to accrue activities related to Operating Transfers, Interfund Loans, and Loan Disbursements:

Operating Transfers

TC	PURPOSE	GL DEBIT	GL CREDIT	TC
260	To accrue Operating Transfers – In	1400	9811	260
579	To accrue Operating Transfers – Out	9812	3110	579

For more information, refer to Volume 3, Chapter II, Accounting For Interfund Transfers.

Interfund Loans

TC	PURPOSE	GL DEBIT	GL CREDIT	TC
260	To accrue Operating Transfers – In for current amount of loan principal Due From Other Funds	1400	9811	260
L02	To reduce long-term loan receivable by the amount of accrued repayment	5370	2170	L02
579	To accrue Operating Transfers – Out for current amount of loan principal Due To Other Funds	9812	3110	579
L04	To reduce long-term loan payable by the amount of accrued repayment	4050	2500	L04
176	To accrue interest on loan Due From Other Funds	1400	8000	176
285	To accrue interest on loan Due to Other Funds	9000	3110	285

For more information, refer to Volume 3, Chapter IV, Accounting for Interfund Loans.

Loan Disbursements

TC	PURPOSE	GL DEBIT	GL CREDIT	TC
121	To accrue interest on loan due from individuals or non-governmental entities.	1314	8000	121
128	To accrue interest on loan due from governmental entities	1500	8000	128
L41	To accrue current amount of loan principal due from individuals or non-governmental entities.	1330 5380	9830 2110	L41
L42	To accrue current amount of loan principal Due From Other Governments	1500	9830	L42
L43	To adjust GL 2140 for current amount of loan principal Due From Other Government	5380	2140	L43
L44	To accrue amount of loan principal due when no long-term loan has been established	1330	9830	L44
L48	To accrue refund on loan repayment principal	9830	3010	L48

For more information refer to Volume 3, Chapter V, Accounting for Loan Disbursements.